Appendix:
Department of Defense FY2002 Performance Report and FY2004 Performance Plan

Performance Metric: Active Component end strength within 2% of the fiscal year authorization (at the end of each quarter)						

Active Component	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Auth/Actual	FY2003 Auth	FY2004 Projected
Army	479,426 (-0.1%)	482,170 (+0.5%)	480,801 (+0.2%)	480,000/486,542 (+1.4%)	480,000	480,000
Navy	373,046 (+0.0%)	373,193 (+0.3%)	377,810 (+1.4%)	376,000/383,108 (+1.9%)	375,700	373,800
Marine Corps	172,641 (+0.3%)	173,321 (+0.5%)	172,934 (+0.2%)	172,600/173,733 (+0.7%)	175,000	175,000
Air Force	360,590 *(-2.8%)*	355,654 (-1.4%)	353,571 (-1.0%)	358,800/368,251 *(+2.6%)*	359,000	359,300
Note: Previous GPRA data reported authorized end strength, not actual end strength.						

FY2003 Quarterly Metric

1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
(+/- 2% of Auth)	(+/- 2% of Auth)	(+/- 2% of Auth)	(+/- 2% of Auth)

FY2004 Quarterly Metric

1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
(+/- 2% of Auth)	(+/- 2% of Auth)	(+/- 2% of Auth)	(+/- 2% of Auth)

Metric Description. Service end-strength authorizations are set forth in the National Defense Authorization Act for the fiscal year. Services are required to budget and execute to that end strength by the end of the fiscal year. The Services' actual end strength for each quarter will be evaluated against the authorized strength for that fiscal year. By law, the Secretary of Defense may authorize the Services be up to 2% above their authorized end strength for that fiscal year, if determined to be in the national interest. FY2003 is the first year that quarterly comparisons will be made.

Verification &Validation Method. The Directorate for Information Operations and Reports of the Washington Headquarters Service publishes the official end strength for the Services monthly. Preliminary numbers are available 3 weeks after the end of the month, and final numbers are available 5 weeks after the end of the month. The final numbers will be compared to the authorized end strengths for each of the active Components; the difference of the actual from the authorized end strengths will be calculated, as will the percentage delta from the authorized end strength. The resultant percentage will then be checked against the metric. This review is

conducted at the directorate level. The results are provided to the leadership when a Component's actual end strength is not within 2% of the authorized end strength.

Performance Results for FY2002. In his Declaration of National Emergency by Reason of Certain Terrorist Threats, the President, among other things, waived the end-strength requirement during a national emergency. Most services, however, are still held to the 2% criterion. As evidenced in the September 2002 data, the Air Force exceeded that standard. Service budget submissions for FY2003 indicate the Services will meet their authorized strengths.

Performance Metric: Reserve Component Selected Reserve end strength within 2% of the fiscal year authorization (at the end of each quarter)

Reserve Component	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Auth/Actual	FY2003 Auth	FY2004 Projected
Army National Guard	357,469 (+0.1%)	353,045 (+0.9%)	351, 829 (+0.4%)	350,000/351,078 (+0.3%)	350,000	350,000
Army Reserve	206,836 (-0.6%)	206,892 (+0.9%)	205,628 (+0.2%)	205,000/206,682 (+0.8%)	205,000	205,000
Naval Reserve	89,172 (-1.8%)	86,933 (-3.7%)	87,913 (-1.1%)	87,000/87,958 (+1.1%)	87,800	85,900
Marine Corps Reserve	39,953 (-0.2%)	39,667 (+0.1%)	39,810 (+0.6%)	39,558/39,905 (+0.9%)	39,558	39,600
Air National Guard	105,715 (-1.2%)	106,365 (-0.3%)	108,485 (+0.4%)	108,400/112,075 *(+3.4%)*	106,600	107,000
Air Force Reserve	71,772 (-3.3%)	72,340 (-1.9%)	74,869 (+0.7%)	74,700/76,632 *(+2.6%)*	75,600	75,800
Coast Guard Reserve	8,110 (+1.4%)	7,965 (-0.4%)	7,976 (-0.3%)	8,000/7,816 *(-2.3%)*	9,000	10,000
Note: Previous GPRA data reported authorized end strength, not actual end strength.						

FY2003 Quarterly Metric

1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
(+/- 2% of Auth)	(+/- 2% of Auth)	(+/- 2% of Auth)	(+/- 2% of Auth)

FY2004 Quarterly Metric

1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
(+/- 2% of Auth)	(+/- 2% of Auth)	(+/- 2% of Auth)	(+/- 2% of Auth)

Metric Description. Component end strength authorizations are set forth in the National Defense Authorization Act for the fiscal year. Components are compelled to budget and execute to that end strength by the end of the fiscal year. The Component actual end strength for each quarter will be evaluated against the authorized end strengths for that fiscal year. By law, the Secretary of Defense may authorize the Components to vary, by no more than 2%, their authorized end strength for that fiscal year, if determined to be in the national interest.

V&V Method. The Defense Manpower Data Center publishes the official end strength for the Components monthly from data in the Reserve Component Common Personnel Data System (RCCPDS). The data are developed from the input provided by the Components in their feeder systems to RCCPDS. Preliminary numbers are available 4 weeks after the end of the month, and final numbers are available 5 weeks after the end of the month. These numbers are compared to the authorized end strengths. Component manual data may be accepted under extreme circumstances.

Performance Results for FY2002. In his Declaration of National Emergency by Reason of Certain Terrorist Threats, the President, among other things, waived the end-strength requirement during the time of national emergency. Components, however, have been directed to attempt to meet the 2% criterion, though exceptions are authorized based on the operational situation. Three Components (Air National Guard, Air Force Reserve, and Coast Guard Reserve) exceeded the 2% variance goal in FY2002.

Performance Metric: Enlisted recruiting quality

Category	FY1999 Active/ Reserve Actual	FY2000 Active/ Reserve Actual	FY2001 Active/ Reserve Actual	FY2002 Active/ Reserve Actual[a]	FY2003 Target[a]	FY2004 Target
Percentage of recruits holding high school diplomas (Education Tier 1)	93/90	93/90	93/89	92/89	$\geq$90	$\geq$90
Percentage of recruits in AFQT categories I–IIIA	66/68	66/65	66/64	70/66	$\geq$60	$\geq$60
Percentage of recruits in AFQT category IV	0.9/1	0.9/1	1/1	0.7/1.1	$\leq$4	$\leq$4

NOTE: AFQT = Armed Forces Qualification Test. The AFQT is a subset of the standard aptitude test administered to all applicants for enlistment. It measures math and verbal aptitude and has proven to correlate closely with trainability and on the job performance.

[a] Targets are the same for the Active and Reserve Components. FY2002 target is the same as the FY2003 and FY2004 targets.

Metric Description. Quality benchmarks for recruiting were established in 1992 based on a study conducted jointly by DoD and the National Academy of Sciences. The study produced a model linking recruit quality and recruiting resources to the job performance of enlistees. As its minimum acceptable quality thresholds, the Department has adopted the following recruiting quality targets derived from the model: 90% in education tier 1 (primarily, high school graduates), 60% in AFQT categories I–IIIA (top 50 percentiles), and not more than 4% in AFQT category IV. Adhering to these benchmarks reduces personnel and training costs, while ensuring the force meets high performance standards.

V&V Method. Data collected as part of the enlistment process are routed, reviewed, and managed using the same mechanisms employed for the performance metric concerning recruiting quantity. The data systems and verification methods are discussed in the table below.

Data Flows for Enlisted Recruiting				
Service	Input	Cross-Check	Aggregate	V&V
Army	REQUEST (Recruiter Quota System) database	Against manually assembled reports that the Army Recruiting Command provides to Army headquarters	HQDA Decision Support System	Army headquarters compared automated data and manually compiled reports monthly
Navy	PRIDE (Personalized Recruiting for Immediate and Delayed Enlistment) database	Recruit Training Center databases	PRIDE database	Office of Navy Personnel reviews input monthly

Data Flows for Enlisted Recruiting				
Service	Input	Cross-Check	Aggregate	V&V
Air Force	AFRISS (Air Force Recruiting Information Support System) databases	MILPDS (Military Personnel Data System)	MILPDS and AFRISS	Commanders of recruiting stations review inputs daily; Air Force Recruiting Service reviews data monthly and conducts periodic audits
Marine Corps	MCRISS-RS (Marine Corps Recruiting Information Support System-Recruiting Station)	Recruiting districts download information from MCRISS-RS	MCRISS-RS	District and regional staff review data monthly; Marine Corps Recruiting Command corrects any discrepancies in Monthly Enlisted Quota Attainment Brief (MATBRF).

Performance Results for FY2002. The Department largely met its goals for enlisted recruit quality in FY2002 as it did in FY2001. Performance surpassed objectives in all but one area— high school diploma graduate accessions in the Reserve Component. Shortfalls were within 1 percentage point and occurred in only two Components (Army National Guard and Navy Reserve). In addition, the Air National Guard switched data systems, resulting in data quality problems. We expect the same recruiting quality performance in FY2003.

Enlisted Recruiting: FY2002 Performance	
Army, Active	Met quantity and quality goals
Army, Reserve	Met quantity and quality goals
Army, National Guard	Met quantity goal but fell short of high school diploma graduate goal
Navy, Active	Met quantity and quality goals
Navy, Reserve	Met quantity goal but fell short of high school diploma graduate goal
Air Force, Active	Met quantity and quality goals
Air Force, Reserve	Met quantity and quality goals
Air Force, National Guard	Met quantity and quality goals
Marine Corps, Active	Met quantity and quality goals
Marine Corps, Reserve	Met quantity and quality goals

Performance Metric: Enlisted recruiting quantity

Category	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Target
Number of enlisted Active Component accessions	186,600	202,917	196,355	195,472/196,472	193,751	195,877
Number of enlisted Reserve Component accessions	140,070	152,702	141,023	139,846/147,129	141,450	144,728

Metric Description. Department-wide targets for enlisted recruiting represents the projected number of new Service members needed each year to maintain statutory military end strengths and appropriate distributions by rank, allowing for discharges, promotions, and anticipated retirements. As personnel trends change during the year, Active and Reserve Component recruiting objectives may be adjusted.

V&V Method. Each Service maintains data on new enlistments in a dedicated computer system. Automated reports, produced monthly, are used to track progress toward meeting recruiting targets and to set new monthly targets. The data systems and verification methods are discussed in the table below.

Data Flows for Enlisted Recruiting				
Service	Input	Cross-Check	Aggregate	V&V
Army	REQUEST (Recruiter Quota System) database	Against manually assembled reports that the Army Recruiting Command provides to Army headquarters	HQDA Decision Support System	Army headquarters compared automated data and manually compiled reports monthly
Navy	PRIDE (Personalized Recruiting for Immediate and Delayed Enlistment) database	Recruit Training Center databases	PRIDE database	Office of Navy Personnel reviews input monthly
Air Force	AFRISS (Air Force Recruiting Information Support System) databases	MILPDS (Military Personnel Data System)	MILPDS and AFRISS	Commanders of recruiting stations review inputs daily; Air Force Recruiting Service reviews data monthly and conducts periodic audits
Marine Corps	MCRISS-RS (Marine Corps Recruiting Information Support System-Recruiting Station)	Recruiting districts download information from MCRISS-RS	MCRISS-RS	District and regional staff review data monthly; Marine Corps Recruiting Command corrects any discrepancies in Monthly Enlisted Quota Attainment Brief (MATBRF).

Performance Results for FY2002. All Active and Reserve Components met or exceeded their recruiting quantity goal for FY2002. In FY2003, the recruiting environment has become more difficult, challenging each Service and Component to meet its recruiting goal.

Enlisted Recruiting: FY2002 Performance	
Army, Active	Met quantity and quality goals
Army, Reserve	Met quantity and quality goals
Army, National Guard	Met quantity goal but fell short of high school diploma graduate goal
Navy, Active	Met quantity and quality goals
Navy, Reserve	Met quantity goal but fell short of high school diploma graduate goal
Air Force, Active	Met quantity and quality goals
Air Force, Reserve	Met quantity and quality goals
Air Force, National Guard	Met quantity and quality goals
Marine Corps, Active	Met quantity and quality goals
Marine Corps, Reserve	Met quantity and quality goals

Performance Metric: Active enlisted retention goal

Service	FY1999 Actual	FY2000 Actual	FY2001[a] Actual	FY2002 Goal/Actual	FY2003 Goal	FY2004 Projection
Army						
Initial	20,843	21,402	20,000	19,100/19,433	18,600	19,100
Mid-career	24,174	24,118	23,727	22,700/23,074	21,200	22,700
Career	26,130	25,791	21,255	15,000/15,700	17,200	15,000
Navy						
Initial	28.2%	29.6%	56.9%	57%/58.7%	56%	56%
Mid-career	43.8%	46.5%	68.2%	70%/74.5%	73%	73%
Career	53.3%	56.6%	85.0%	90%/87.4%	86%	86%
Marine Corps						
First term	23.8%	26.6%	6,144[b]	5,900/6,050	6,022	5,962
Subsequent	56.5%[c]	63.4%[c]	5,900[b]	5,784/7,258	6,172	5,628
Air Force						
First Term	48.7%	53.1%	56.1%	55%/72.1%	55%	55%
Mid-career	69.0%	69.7%	68.9%	75%/78.3%	75%	75%
Career	90.9%	90.8%	90.2%	95%/94.6%	95%	95%

[a] Starting in FY2001, Navy changed the way it calculates retention. The Navy no longer includes personnel who are ineligible to reenlist in retention calculations, so the percentage better reflects the number of people who choose to stay at a given reenlistment point.

[b] In FY2001, the Marines established numeric goals for retention and established subsequent term goals for the first time.

[c] FY1999 and FY2000 rates are from a previous program showing achievements for 2nd term personnel.

Definitions:
  Army: Mid-career: 7 to 10 YOS; career: 10 to 20 YOS
  Navy: Mid-career: 6+ to 10 YOS; career 10+ to 14 YOS
  Air Force: Mid-career: 6 to 10 YOS; career 10 to 14 YOS
  YOS = Years of service

Metric Description. The Services determine, within the zone of eligibility, their annual retention goals. Each Service is given latitude in how they establish their categories, establish goals, and track attainment of those goals. For that reason, two metrics are used: number of people retained (used by the Army and Marine Corps) and the percentage of eligible people retained (used by the Air Force and Navy). The annual goals relative to either metric are dynamic and can change during the year of execution.

V&V Method. Each month, the Services' enlisted retention offices will be queried for their goal and retention statistics for that month. Data are normally available 2 weeks after the end of the month. The Office of the Under Secretary of Defense for Personnel and Readiness reviews retention data obtained from the systems (identified in the following table) monthly. The information is evaluated within the context of recruiting performance, attrition trends, and retention of both officer and enlisted personnel in the Active and Reserve Components. The results of these assessments guide decisions on resource allocations and associated force management initiatives. The following table displays the data systems and data flow.

Data Flow for Active Retention			
Service	Input System	Aggregate System	V&V Method
Army	Reenlistment, Reclassification, and Reserve Component Assignment System (RETAIN) Standard Installation/Division Personnel System (SIDPERS)	Active Army Military Management Program (AAMMP)	Personnel commands report data weekly to the Deputy Chief of Staff, G-1. Major commands process data via RETAIN and report it to ODCS, G-1, quarterly. RETAIN data and SIDPERS updates are used to verifyAAMMP assumptions and revise policies as necessary.
Navy	Navy Enlisted System (NES) Officer Personnel Information System (OPINS)	NES/OPINS	Data for enlisted personnel are reported monthly. Data for officers are gathered quarterly. Functional managers, analysts, and policymakers review the data to verifyaccuracy and monitor trends.
Air Force	Personnel Data System (PDS)— maintained by Headquarters, Air Force Personnel Center (HQ AFPC/DPS)	PDS	Air Force staff reviews retention programming codes and data aggregation methods annually.
Marine Corps	Total Force Retention System (TFRS)—used by commanders to request permission to reenlist individual Marines Marine Corps Total Force System (MCTFS)—transmits headquarters decisions on TFRS requests to the respective commands and, for those requests that are approved, relays reenlistment data back to headquarters	MCTFS	TFRS cross-checks MCTFS. Written guidance for TFRS is provided to field units. Use of data elements in MCTFS is standardized throughout the Marine Corps.

Performance Results for FY2002. Because of the Presidential proclamation for the Declaration of National Emergency by Reason of Certain Terrorist Threats, the Services implemented "stop loss" programs in varying degrees: the Air Force stopped the separation of all of its personnel, while the other Services focused on certain skills or skill/grade mix. This, coupled with Service members performing duties in support of the war on terrorism, bolstered enlisted retention across all Services. For FY2002, the Army, Navy, Marine Corps, and Air Force met or exceeded almost all of their goals; the Air Force barely missed its career goal; the Navy missed its career goal by less than 3%, but exceeded its goal in the aggregate. FY2003 goals are comparable to FY2002. Although retention success or failure is driven by many factors (economy, current operations, national resolve) throughout the year of execution, all Services anticipate that their retention goals are attainable and will be met in FY2003.

Performance Metric: Selected Reserve enlisted attrition ceiling

Selected Reserve Component	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Goal/Actual	FY2003 Goal	FY2004 Projected
Army National Guard	18.5	18.0	20.0	18.0/20.6	18.0	18.0
Army Reserve	27.2	29.4	27.4	28.6/24.6	28.6	28.6
Naval Reserve	29.8	27.1	27.6	36.0/26.5	36.0	36.0
Marine Corps Reserve	30.5	28.4	26.4	30.0/26.0	30.0	30.0
Air National Guard	11.7	11.0	9.6	12.0/7.3	12.0	12.0
Air Force Reserve	14.2	13.9	13.4	18.0/8.7	18.0	18.0
Note: All numbers are percentages representing total losses divided by average strength.						

Metric Description. In assessing retention trends in the Reserve Components, DoD uses attrition rates rather than retention rates. Attrition is computed by dividing total losses from the Selected Reserve Component for a fiscal year by average personnel strength of the Selected Reserve for that year. This metric is preferable to retention rates because only a small portion of the Reserve population is eligible for reenlistment during any given year. In addition to monitoring attrition, the Department has established annual attrition targets for reserve personnel. These targets, which took effect in FY2000, represent the maximum number of losses deemed acceptable in a given fiscal year—that is, they establish a ceiling for personnel departures. The attrition goal is actually a ceiling, which is not to be exceeded.

V&V Method. Monthly updates of databases maintained by the individual Reserve Components feed the Reserve Component Common Personnel Data System, operated by the Defense Manpower Data Center (DMDC). DMDC is responsible for monitoring data quality. Quarterly workshops, conducted by the Office of the Assistant Secretary of Defense for Reserve Affairs, provide a forum for reviewing the data and recommending ways to improve attrition and meet annual projections.

Performance Results for FY2002. The Presidential proclamation for the Declaration of National Emergency by Reason of Certain Terrorist Threats and accompanying Executive Order, gave the Military Departments the authority to implement "stop loss" programs in varying degrees: the Air Force stopped the separation of all of its personnel, while the other Services focused on certain skills or skill/grade mix. This, coupled with Service members performing duties in support of the war on terrorism, keeps the enlisted attrition rates under the ceiling across all Selected Reserve Components except the Army National Guard, which exceeded its annual ceiling.

Performance Metric: Cost per enlisted Service member through basic training

Performance Measure – Cost per Enlisted Service Member Through Basic Training						
Cost Indicator (Constant FY03 $)	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Actual	FY2003 Budgeted	FY2004 Budget Estimate
Cost-per-Recruit – Active (attach 1)	$9,849	$10,650	$12,236	$13,243	$13,294	$14,052
Cost-per-Recruit – Reserve (attach 1)	$5,437	$5,467	$5,940	$6,429	$6,926	$7,115
Cost of Basic Training (attach 2)	$7,299	$7,606	$7,137	$7,967	$7,857	$9,512
Cost per Enlisted Servicemember through Basic Training (active)[a]	$17,148	$18,256	$19,373	$21,210	$21,151	$23,564
Cost per Enlisted Servicemember through Basic Training (reserve)[b]	$12,736	$13,073	$13,077	$14,396	$14,783	$16,627
[a] Equals sum of row 1 plus row 3						
[b] Equals sum of row 2 plus row 3						

Cost Indicator Description. The Cost per Enlisted Servicemember through Basic Training is not a targeted metric, but an indicator to analyze costs and trends over time. The Department annually enlists and trains about 200,000 new recruits for the Active components and 160,000 for the Reserve components. These new servicemembers provide the Services with the entry level manning necessary to meet manning/readiness needs. The cost for providing this manpower consists of the cost of recruiting and the cost of basic recruit training. The cost of recruiting is calculated by dividing a Service's total number of accessions (Non Prior Service (NPS) + Prior Service (PS)) into the total Active expenditures for enlisted recruiting. These resources are made up of recruiting personnel compensation, enlistment bonuses, college funds, advertising, communications, recruiting support (vehicles, equipment, computers, supplies and applicant's transportation, food and lodging, etc.), and other appropriations resources within the recruiting command/service (i.e., other procurement and RDT&E.). Recruit Training is the basic introductory and indoctrination training provided to enlisted entrants. Costs, which vary by Service, are projected by fiscal year via Program Element 804711, which includes manpower, support equipment, facilities and associated costs to conduct recruit training.

V&V Methodology. The Military Personnel Procurement Resources Report, as reported to Office of the Assistant Secretary of Defense, Force Management Policy, Military Personnel Policy, or OASD(MPP), in accordance with Department of Defense Instruction 1304.8, Military Personnel Procurement Resources Report Services, collects the total cost of recruiting, separating those costs into enlisted, officer, and medical recruiting efforts. This is known as the DD 804 report and is completed after the President's Budget (PB) submission. The Military departments provide this report to OUSD(MPP)AP within 30 days of budget submission. OUSD(MPP)AP compiles the DD 804 data into master data files, and calculates the cost-per-recruit with resource data from DD 804 series and accession data from service input/budget justification material.

Funding requirements for Recruit Training (RT) are projected by fiscal year via Program Element 804711; RT cost data for this cost indicator is based on these FYDP projections. Recruit Training inputs (non-prior service accessions) are reported annually by the Services and compiled by Defense Manpower Data Center (West) for Office of the Under Secretary of Defense for Personnel and Readiness.

Performance Results for FY2002 and/or FY2003. As stated earlier, the Cost per Enlisted Servicemember through Basic Training is not a targeted metric. It is a macro level indicator that is used in the analysis of Service programs. Cost-per-recruit has increased annually as shown in the table above, while the cost of basic training has remained relatively stable. Unlike training costs, recruiting costs are driven by a host of external variables, such as economy, unemployment, youth propensity to serve, Delayed Entry Program (DEP) posture, etc. and have risen steadily over the past years, but appears to be leveling in the current budget. Overall trends for Recruit Training costs captured in Program Element 804711 indicate relatively constant expenditures to train non-prior service enlisted entrants required to satisfyservice end-strengths.

Performance Metric: Cost per recruit (Attachment 1 to cost per enlisted Servicemember through basic training)

Cost Indicator (Constant FY03 $)	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Actual	FY2003 Budgeted	FY2004 Budget Estimate
Cost-per-Recruit – Active	$9,849	$10,650	$12,236	$13,243	$13,294	$14,052
Cost-per-Recruit – Reserve Component	$5,437	$5,467	$5,940	$6,429	$6,926	$7,115

Cost Indicator Description. The Cost per Recruit is not a targeted metric, but an indicator to analyze costs and trends over time. The Department annually enlists about 200,000 new recruits for the Active components and 160,000 for the Reserve components. These new servicemembers provide the Services with the entry level personnel necessary to meet manning/readiness needs. The cost of recruiting is calculated by dividing a Service's total number of accessions (Non Prior Service (NPS) + Prior Service (PS)) into the total active expenditures for enlisted recruiting. These resources are made up of recruiting personnel compensation, enlistment bonuses, college funds, advertising, communications, recruiting support (vehicles, equipment, computers, supplies and applicant's transportation, food and lodging, etc.), and other appropriations resources within the recruiting command/service (i.e., other procurement and RDT&E.)

V&V Methodology. The Military Personnel Procurement Resources Report, as reported to Office of the Assistant Secretary of Defense, Force Management Policy, Military Personnel Policy, or OUSD(MPP), in accordance with Department of Defense Instruction 1304.8, Military Personnel Procurement Resources Report Services, collects the total cost of recruiting, separating those costs into enlisted, officer, and medical recruiting efforts. The Services provide this report to OUSD(MPP)AP within 30 days of budget submission. OUSD(MPP)AP compiles the DD 804 data into master data files, and calculates the cost-per-recruit with resource data from DD 804 series and accession data from service input/budget justification material.

Performance Results for FY2002 and/or FY2003. As stated earlier, the Cost per Enlisted Servicemember through Basic Training is not a targeted metric. It is a macro level indicator that is used in the analysis of Service programs. Cost-per-recruit has increased annually as shown in the table above, while the cost of basic training has remained relatively stable. Unlike training costs, recruiting costs are driven by a host of external variables, such as economy, unemployment, youth propensity to serve, Delayed Entry Program (DEP) posture, etc. and have risen steadily over the past years, but appears to be leveling in the current budget.

Performance Metric: Cost per enlisted Service member—recruit training (Attachment 2 to cost per enlisted Service member through basic training)

Enlisted Accession Cost[a]	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Actual (Estimate)	FY2003 Budgeted	FY2004 Budget Estimate
Recruit training costs (Constant FY03 $)	$1,472.3	$1,665.4	$1,556.6	$1,752.8	$1,709.6	$2,025.3
Army	$ 433.1	$ 362.3	$ 464.0	$ 528.3	$ 465.4	$ 768.0
Navy	$ 335.0	$ 577.1	$ 429.8	$ 473.0	$ 515.2	$ 513.8
Marine Corps	$ 524.2	$ 512.3	$ 456.0	$ 437.5	$ 463.7	$ 470.5
Air Force	$ 180.0	$ 213.6	$ 206.8	$ 313.9	$ 265.2	$ 273.0
Total	$ 1,472.3	$ 1,665.4	$ 1,556.8	$ 1,752.8	$ 1,709.6	$ 2,025.3
Recruit training input (non-prior enlistees)	201,710	218,963	218,084	219,998	217,571	212,927
Army	73,750	84,756	86,866	87,405	84,444	79,367
Navy	52,346	54,869	53,976	46,547	49,827	50,475
Marine Corps	39,445	39,791	36,600	39,999	38,914	38,699
Air Force	36,169	39,547	40,642	46,047	44,386	44,386
Total	201,710	218,963	218,084	219,998	217,571	212,927
Average cost per recruit trainee (Constant FY03 $)	$7,299.0	$7,605.8	$7,137.5	$7,967.2	$7,857.5	$9,511.9
Army	$5,872.0	$4,275.2	$5,342.1	$6,043.9	$5,511.7	$9,676.2
Navy	$6,399.4	$10,518.0	$7,962.6	$10,162.6	$10,340.0	$10,180.2
Marine Corps	$13,289.3	$12,874.5	$12,458.3	$10,938.6	$11,917.2	$12,158.6
Air Force	$4,977.5	$5,402.2	$5,087.5	$6,817.7	$5,974.4	$6,150.7
Total	$7,299.0	$7,605.8	$7,137.5	$7,967.2	$7,857.5	$9,511.9

[a] Data systems and reports currently undergoing verification.

Metric Description. Enlisted accession costs from the Office of the Assistant Secretary of Defense, Force Policy, Military Personnel Policy, or OUSD(MPP), are to be added with recruit training cost from Office of the Under Secretary of Defense for Readiness (Training, Policy & Programs), or ODUSD(R)/RTPP. Recruit training is the basic introductory and indoctrination training provided to enlisted entrants. Cost of recruit training is a management cost indicator; performance/production targets are accession-driven and vary by Service and year. Funding requirements for recruit training are projected by fiscal year via Program Element 804711, which includes manpower, support equipment, facilities, and associated costs to train recruits.

V&V Method. Funding requirements for recruit training are projected by fiscal year via Program Element 804711; recruit training cost data for this cost indicator are based on these Future Years Defense Program projections. Recruit training inputs (non-prior service accessions) are reported annually by the Services and compiled by the Defense Manpower Data Center (West) for the Office of the Under Secretary of Defense for Personnel and Readiness.

Performance Results for FY2002. Overall trends for recruit training costs captured in Program Element 804711 indicate relatively constant expenditures to train non-prior service enlisted entrants required to satisfyService end strengths.

Performance Metric: Civilian force costs

Civilian force costs (Current Year $000)	FY1999 Actual [a]	FY2000 Actual [a]	FY2001 Actual [b]	FY2002 Projected [c]	FY2003 Projected [c]	FY2004 Projected Output [c]
Total	40,107,638	40,464,205	42,258,733	44,867,063	46,167,420	46,851,293
Basic pay	30,637,396	31,029,482	31,887,999	33,376,576	34,409,122	34,853,540
Premium pay	1,816,501	1,733,466	1,985,502	2,347,501	2,144,505	2,148,222
Benefit pay	7,344,625	7,507,789	8,066,742	8,822,937	9,245,600	9,515,435
Separation pay	309,116	193,468	318,490	320,049	368,193	334,096

[a] FY1999 to FY2000 from OPM data sources.
[b] FY2001 from DoD Component summary of PB FY2003 .
[c] FY2001 through FY2004 from DoD Component Summary of PB FY2004–2005.
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Metric Description. Civilian force costs are currently being reported annually to the Office of Personnel Management (OPM) in a Work Years and Personnel Costs Report (WYPC). Reports are required on three forms: Basic and Premium Work Years and Pay; Cost of Employees' Benefits; and Leave Earned and Used. Work years and cost data identifythe various components of basic pay, premium pay, benefits, separation incentive pay, and severance pay for federal civilian employment. (These elements are defined below.) This metric can be used to provide a broad overview of civilian compensation costs. It is not an effective measure of the success of any individual personnel program or benefit. For example, additional benefit costs do not indicate successful use of recruitment or retention incentives. Even increased recruitment bonus or retention allowance payment amounts would only measure usage rates, not the change in recruitment or retention based on payment of the incentive.

The following definitions are provided for the reader:

Basic Pay (identified by Office of Management and Budget (OMB) Object Classes 11.1 and 11.3) represents the aggregate personnel compensation for full-time permanent, full-time temporary, and part-time/intermittent appointments.

Premium Pay (identified by Office of Management and Budget (OMB) Object Class 11.5) represents personnel compensation for the following premium pay categories: Overtime, Holiday, Sunday, Night Differential, Hazardous Duty, Post Differential, Staffing Differential, Supervisory Differential, Physicians Comparability Allowance, Remote Work Site Allowance, Cash Awards, and Other.

Benefit Pay (identified by Office of Management and Budget (OMB) Object Class 12.1) represents personnel compensation for the following benefit pay categories: Health Insurance, Life Insurance, Retirement, Social Security, Workers' Compensation, Uniform Allowances, Overseas Allowances, Non-Foreign COLA, Retention Allowance, Recruitment Bonus, Relocation Bonus, and Other.

Separation Pay (identified by Office of Management and Budget (OMB) Object Class 13.0) represents personnel compensation to involuntarily separated employees and payments made through the $25,000 Voluntary Separation Incentive (VSI) Program (i.e., Buyout Bonuses, etc.).

V&V Method. OPM indicates that "Agencies should establish appropriate internal coordination procedures to ensure that the data is reconciled." Data on payments are compiled by component and object class from the Defense Finance and Accounting Service payroll records. Data input into the system are subject to stringent time and accounting rules and procedures.

Performance Results for FY2002. The OPM report will be published in December 2003.

Performance Metric: Outpatient market share (lagged indicator)

Metric	FY1998 Actual[a]	FY1999 Actual	FY2000 Actual	FY2001 Target/Actual[b]	FY2002 Target[c]	FY2003 Target
Outpatient market share (lagged indicator)	NA	80%	79%	NA/77%	NA	>74%

[a] Data were not mapped according to clinic market areas in FY1998, so actual number are not available.
[b] While data are available for FY2001 results, no target was ever established.
[c] The metric calculation was changed only in FY2002, so the FY2002 target is not comparable.

Metric Description. Outpatient visits represent the majority of contacts between the Military Health System (MHS) and its beneficiaries, and accordingly, the market share metric looks at how much of the care is delivered in the direct system rather than being purchased. Since there is a large fixed cost of manpower related to the medical readiness mission, it is vital for proper program management to utilize these resources efficiently and effectively during peacetime operations. The goal is to initially stabilize market share around the Military Treatment Facilities (MTFs) and eventually recover market share losses that have occurred over the last couple of years related to changes in clinic capabilities.

Although medical care can be purchased at numerous locations throughout the United States and world, the focus of this measure is on locations around MTFs in the United States. The locations are around both bedded hospitals and outpatient care clinics. Due to the extensive medical capabilities of the hospitals compared with ambulatory clinics, the market share percentage will vary by MTF and Military Service. Hospitals are judged on 40-mile radius areas, and clinics are judged on 20-mile radius areas.

Over the past couple of years, the downsizing of small hospitals into ambulatory care clinics has affected the clinical capabilities of these facilities, and market share has decreased. This reduction is expected to continue for the next couple of years until the direct care system stabilizes.

Market share percentages for the Services are shown based on direct care visits compared to total purchased care plus direct care visits within the Service's hospital and clinic areas.

Due to claims processing times, purchased care workload is projected to completion 6 months after the fiscal year ends; final results will not be available for approximately 3 years. Purchased care workload does not place care delivered overseas into hospital or clinic areas, so overseas workload is excluded. To ensure consistency across the program years, purchased care excludes all resource sharing, supplemental care, continued health care benefit plan, and senior (age 65+) purchased care workload. Since data will not be available until 6 months after fiscal year end, this will be a lagging indicator.

As the MHS migrates to improved clinical comparability, this metric will be migrated to a measure based on relative value unit (RVU)[1] to more accurately compare the relative complexity of care instead of just a visit count. When this change occurs, the metric will have to be recalibrated, and new goals will have to be established.

V&V Method. As part of an agreement with the General Accounting Office, the Defense Health Program has established a Data Quality Management Control Program, which requires MTF commanders to certifymonthly that systems and processes are working properly. This is the source of data on direct care visits.

Purchased care claims go through extensive automated clinical coding reviews prior to processing for payment. Once processing is completed, zip codes are mapped to the data to define hospital and clinic areas. Due to claims processing and adjudication lag times, the workload data are projected to completion; and final numbers will not be available for approximately 3 years.

Performance Results for FY2002. Due to claims processing, results will lag actual performance by 6 months and will still be a projection until 3 years after the end of the fiscal year. This lag is related to the individual's submission of the claim and multiple adjudication issues once the claim has been submitted.

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[1] The RVUs approximate the physician resources used during the visit. For example, a returning visit by a patient with a simple problem might be 0.17 RVUs, whereas arthroscopic surgery of the knee might be 16.00 RVUs.

Performance Metric: Primary care provider productivity

Metric	FY1999 Actual[a]	FY2000 Actual[a]	FY2001 Actual	FY2002 Target[b]/Actual[c]	FY2003 Target	FY2004 Projected Performance
RVUs per primary care provider per day	NA	NA	13.3	NA/13.6	>14.5	>15.5

[a] FY1999/FY2000 clinical data are incomplete and not comparable to FY2001 and later.

[b] The FY2002 target included overseas medical facilities and did not discount nurse practitioners and physician assistants. Accordingly, it is not comparable to FY2003 and later targets.

[c] FY2002 data were incomplete for Darnall Army Community Hospital-Ft. Hood. Accordingly, estimates were used for the last 2 months of the fiscal year for this facility.

Metric Description. To run a premier Health Maintenance Organization (HMO), the critical focus area is primary care. The primary care provider frequently represents the first medical interaction between the beneficiary and the HMO. In this role, the primary care provider is responsible for the majority of the preventive care to keep beneficiaries healthy and away from more costly specialty care. While the HMO has a goal to reduce the overall number of encounters per beneficiary, an additional goal is to ensure that the dollars spent on medical care are used efficiently.

The targets for this metric represent stretch goals that were instituted to move the organization forward, but likely will not be achieved in FY2003 or FY2004. This metric looks at the complexity of care and the number of patients seen by the primary care providers each day, with a goal of increasing the complexity, number, or both, of patients seen each day by the provider.

To measure the complexity of care, and not just the count of visits, the relative value unit (RVU) is used. Developed by the Centers for Medicare & Medicaid Services, the RVUs approximate the physician resources used during the visit. (For example, a returning visit by a patient with a simple problem might be 0.17 RVUs, whereas arthroscopic surgery of the knee might be 16.00 RVUs.)

Due to the nature of this data reporting, the metric results will lag the actual performance by one quarter.

V&V Method. As part of an agreement with the General Accounting Office, the Defense Health Program has established a Data Quality Management Control Program that requires Military Treatment Facility (MTF) commanders to certifymonthly that systems and processes are working properly. Two of the sections of the program are relevant to this metric. The first deals with a records review to ensure that records are coded properly, and the second is related to proper and timely reporting of manpower data.

Performance Results for FY2002. Improving productivity of primary care providers is a key performance objective for the Defense Health Program, and although the goal for FY2002 was not achieved, a better understanding of the objective and how to measure overall performance was achieved. For FY2003, the calculation of the metric was changed to focus on MTFs within

the United States, and adjustments were made to account for capabilities of nurse practitioners and physician assistants.

Throughout FY2002, the results of the performance measure were discussed extensively during each of the Military Health System Executive Reviews. The Surgeons General of the three Services undertook extensive reviews of the MTFs to determine how to improve their operations. Since the final meeting of FY2002, the Services have taken appropriate actions to improve provider productivity performance for FY2003.

In addition, issues continue with proper coding of encounters by providers. Inappropriate coding of encounters by non-privileged providers has been discontinued at a number of MTFs, thus driving down the total number of RVUs being reported for primary care clinics. Under the Data Quality Management Control Program, proper coding of ambulatory encounters is being increasingly emphasized, which initially may decrease the RVUs reported, but in the long run, should improve overall reliability of the measure. As these types of issues are identified, appropriate corrections will be made to the workload reporting or the metric calculation to improve the overall operations of the Defense Health Program.

Performance Metric: Satisfaction with military health plan

Metric	FY1999 Actual[a]	FY2000 Actual[b]	FY2001 Actual[c]	FY2002 Target/Actual[d]	FY2003 Target[e]	FY2004 Projected Performance[e]
Percentage satisfied with military health plan	NA	39.6	44.6	45/46.5	≥ Civ. Avg.	≥ Civ. Avg.

[a] The survey instrument was changed to add the Consumer Assessment of Health Plans Survey questions with the November 1999 instrument, so there are no results for FY1999.

[b] Survey fielded in November 1999.

[c] Surveys fielded in January, April, and July 2001.

[d] Surveys fielded in October 2001 and January, April, and July 2002.

[e] The civilian average is based on a representative population from the national Consumer Assessment of Health Plans Survey Database (CAHPSD) for the same time period and this will be the target for the Military Health System. (Example: A July 2003 survey would be compared to July 2003 data from the CAHPSD.) Due to the nature of the program, only a DoD-level goal is tracked.

Metric Description. A person's satisfaction with his or her health plan is a key indicator of the performance of the Military Health System (MHS) in meeting its mission to provide health care to the 8 million eligible beneficiaries. For this metric, the following survey item is used:

> We want to know your rating of all your experience with your health plan. Use any number from 0 to 10 where 0 is the worst health plan possible, and 10 is the best health plan possible. How would you rate your health plan now?

Satisfaction is measured as the percentage of respondents (weighted by appropriate sampling weights) who answer 8, 9, or 10.

The survey, fielded quarterly, asks respondents questions about the plan during the prior year. Currently, the results for the year are based on the surveys fielded during the fiscal year, which means the results are actually based on the respondent's interactions with the health system during the prior fiscal year.

The goals established for this metric in FY2003 and FY2004 are considered stretch goals that will drive the organization forward, but will likely not be achieved during those years. These goals are established based on a civilian survey.

V&V Method. A contractor prepares the data for analysis; data preparation includes editing, cleaning, implementing the coding scheme, weighting the data, and constructing the analytic variables. The contractor provides appropriate data cleaning and checking procedures to ensure a high level of quality control each quarter. The contractor edits the data consistent with the skip patterns in the questionnaire and includes the specifications of such recoding in the survey documentation. The contractor removes problem records from the database. Problem records include blank records, multiple records from the same respondent (the contractor keeps the record with the greatest amount of information), and records from ineligible respondents.

Performance Results for FY2002. The goal was achieved in FY2002, but achievement of the stretch goals established for FY2003 and FY2004 will require dramatic changes. When the target was established for FY2003, the quarterly survey result for the MHS was 43 percent, with a population adjusted civilian average of 56 percent.

Performance Metric: Satisfaction with access

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Projected Performance
Satisfaction with access	82.7%	82.2%	81.8%	>84%/80.8%	>84%	>84%

Metric Description. Access to medical care has always been a significant factor in the overall satisfaction with medical care, and an area for focused improvement. The focus of the metric is on improving satisfaction with access to appointments for those individuals who have chosen to enroll in TRICARE PRIME (similar to a Health Maintenance Organization plan) within the Military Health System (MHS). This metric is based on a monthly customer satisfaction survey for those individuals who had an outpatient medical visit at a Military Treatment Facility (MTF)—hospital or clinic—during the previous month.[2] Although there are a number of measures related to access, ease of making an appointment by phone has been considered a key measure for access and has been tracked over the last couple of years. The metric is based on Question 10a of the customer satisfaction survey:

> How would you rate the (Clinic Name) on Ease of Making this Appointment by Phone?

The percentage of respondents (weighted by appropriate sampling weights) that answer "Good," "Very Good," or "Excellent" on a scale from "Poor" to "Excellent" is computed. The survey is fielded monthly. Because of the fielding period, data collection period, and analysis period, there is a 55-day lag between the appointment date and the posting of data on the web-based reporting site. Reports are produced quarterly. Although information is available by the Military Service branch that is financially responsible for the MTF, only an aggregate MHS score is shown.

V&V Method. The contractor performs all edit checks and validations to ensure the accuracy of the resulting data sets and reports. To ensure privacy of beneficiaries, all surveys are given a unique number for survey processing and tracking. Through the use of a unique code, the survey can be tracked for changes in address (or as undeliverable) and for response receipt. Once survey responses are received at the contractor, they are scanned into a system (including those surveys returned as undeliverable). Survey responses are imported into an automated system using bar codes, with manual entry for those the system cannot read. A template is established to read the surveys, and if the system is not 99% certain of the response, it is sent to a data editing workstation for review. Depending on the complexity of the survey, 5% to 10% of all data editing is verified by a second editor. Final checks are then run to make sure all survey responses are entered into the database.

Performance Results for FY2002. During the review of the customer satisfaction survey results, it was noted that overall satisfaction with the appointment was being affected primarily by two major factors: access to appointments and time waiting at appointment. In addition, the

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[2] The same survey is used for a metric that tracks overall satisfaction with appointments. However, that metric looks at responses to different survey questions and uses scores from all beneficiaries who visited an MTF rather than only TRICARE PRIME enrollees.

results were not across all beneficiary groups. Active duty members and their families showed the largest decreases in satisfaction for the year.

To improve operations of the MTFs and to improve customer satisfaction, two programs are being implemented within the MHS: TRICARE Online and Open Access. TRICARE Online enables a PRIME enrollee to make an appointment with his or her primary care manager via the web, instead of having to call for an appointment. Open Access allows a PRIME enrollee to call the MTF and obtain an appointment for that day.

Performance Metric: Overall satisfaction with appointment

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Projected Performance
Overall satisfaction with appointment	88.8%	89.2%	88.5%	>90%/87.1%	>90%	>90%

Metric Description. This metric looks at beneficiaries' overall satisfaction with their outpatient medical appointments at a Military Treatment Facility (MTF)—hospital or clinic—during the month. Overall satisfaction with the appointment is affected by numerous factors during the visit, including the experience in getting an appointment, the wait time at the appointment, the interaction with the provider, and interactions with the pharmacy or ancillary services. This metric is based on a monthly customer satisfaction survey for those individuals who had an outpatient medical visit at an MTF during the previous month.[3] The metric is based on Question 12 of the customer satisfaction survey:[4]

> All things considered, how satisfied were you with the (name of clinic) during this visit?

The percentage of respondents (weighted by appropriate sampling weights) that answer "Good," "Very Good," or "Excellent," on a scale from "Poor" to "Excellent," is computed. The survey is fielded monthly. Because of the fielding period, data collection period, and analysis period, there is a 55-day lag between the appointment date and the posting of data on the web-based reporting site. Results are based on the summation of results for all surveys completed by patients during the year. Although information is available by the Military Service branch that is financially responsible for the MTF, only an aggregate Military Health System (MHS) score is shown.

V&V Method. The contractor performs all edit checks and validations to ensure the accuracy of the resulting data sets and reports. To ensure privacy of beneficiaries, all surveys are given a unique number for survey processing and tracking. Through the use of a unique code, the survey can be tracked for changes in address (or as undeliverable) and for response receipt. Once survey responses are received at the contractor, they are scanned into a system (including those surveys returned as undeliverable). Survey responses are imported into an automated system using bar codes, with manual entry for those the system cannot read. A template is established to read the surveys, and if the system is not 99% certain of the response, it is sent to a data editing workstation for review. Depending on complexity of the survey, 5% to 10% of all data editing is verified by a second editor. Final checks are then run to make sure all survey responses are entered into the database.

Performance Results for FY2002. During the review of the customer satisfaction survey results, it was noted that overall satisfaction with the appointment was being affected primarily

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[3] The same survey is used for a metric that tracks satisfaction with access. However, that metric looks at responses to different survey questions and uses scores from only TRICARE PRIME enrollees rather than from all beneficiaries who visited an MTF.

[4] Other questions in the survey are used to identiFYspecific areas for improvement.

by two major factors: access to appointments and time waiting at the appointment. In addition, the results were not across all beneficiary groups. Active duty members and their families showed the largest decreases in satisfaction for the year.

To improve operations of the MTFs and to improve customer satisfaction, two programs are being implemented within the MHS: TRICARE Online and Open Access. TRICARE Online enables a PRIME enrollee to make an appointment with his or her primary care manager via the web, instead of having to call for an appointment. Open Access allows a PRIME enrollee to just call the MTF to make an appointment for that day.

Performance Metric: The President's Management Agenda (PMA)

Initiative	FY2002 Status 4th Qtr	FY2002 Progress 4th Qtr	FY2003 Status 1st Qtr	FY2003 Progress 1st Qtr	FY2003 Status 2nd Qtr	FY2003 Progress 2nd Qtr	FY2003 Status 3rd Qtr	FY2003 Progress 3rd Qtr
Strategic management of human capital	Y	G	Y	G	Y	G	Y	G
Competitive sourcing	R	Y	R	Y	R	Y	Y	Y
Financial management	R	G	R	G	R	G	R	G
E-government	R	G	R	G	R	G	R	G
Budget and performance integration	R	G	Y	G	Y	G	Y	G
Note: R=red; Y=yellow; G=green.								

Metric Description. The President's Management Agenda (PMA) was introduced in summer 2001. It identified five initiatives (shown on the table above) designed to improve management and service to our citizens. The President initiated this process in an effort to address deficiencies and expand performance. This is not just a requirement for DoD, but all federal departments and agencies. The President has charged the Office of Management and Budget (OMB) with monitoring progress and reporting to him quarterly. More information may be obtained through two websites: FirstGov.gov or Results.gov.

The status (initial or current state) and progress (efforts toward achieving the goal) of departments and agencies in implementing the PMA (in each of the five initiatives) are measured using a "stoplight" metric. "Green" indicates that the organization meets all core criteria; "yellow" indicates that it meets some but not all core criteria, with no "red" conditions; and "red" indicates that it meets any one "red" condition. The Executive Branch Scorecard depicts how well a department or agency is executing the management initiatives and where it scores at a given point in time against the overall standards for success.

V&V Method. Principal offices in the Office of the Secretary of Defense maintain responsibility and control of their respective initiative and metric. They review progress within their area and recommend scoring to the Under Secretary of Defense for Personnel and Readiness—USD(P&R). USD(P&R) forwards consolidated input to OMB, which assigns the final scores.

Performance Results for FY2002. By embracing transformation as our primary organizational mission, the Department is making every effort to implement policies and procedures that accentuate efficiency and sound management principles DoD-wide. We are confident this will be reflected positively as we progress through each fiscal year.

Following is a brief description of each initiative and efforts we have undertaken thus far toward successful implementation of the PMA:

♦ Human Capital. The Department has developed a Human Resource Strategy that has been briefed to the Senior Executive Council, the Director of the Office of Personnel Management, and representatives of OMB. The Department has also forwarded a Workforce Restructuring Plan to OMB, describing our organizational plans to meet workforce needs and redirect resources from Headquarters to direct service. For its tremendous efforts on this initiative, as of Q4 FY2002, the Department received a score of "yellow" on status and "green" on progress.

♦ Competitive Sourcing. DoD has a competition goal of 226,000 positions. The Department has met the OMB immediate goal of competing 15% of these positions by FY2003. The remaining positions will be reviewed with a focus on the core competencies of the Department. The Business Initiatives Council is overseeing this process.. As of the fourth quarter FY2002, this initiative was rated red for status and yellow for progress; currently, it stands at "yellow" for both status and progress

♦ Financial Management. The Office of the Secretary of Defense established a Business Management Modernization Program Office (BMMP) to oversee development of a DoD-wide financial enterprise architecture. The plan for the modernization effort has been briefed to OMB and received a "green" progress rating.

♦ E-Government. Of the 25 initiatives identified by the President's Management Council, 17 involve DoD activities. The Department is exploring the possibility of taking an active leadership role in 9 of those initiatives. In conjunction with OMB, the Department will improve management processes relating to the creation and description of business cases for information technology (IT) initiatives. The Assistant Secretary of Defense (Networks and Information Integration) is also working closely with OMB on other scorecard elements such as the enterprise architecture, business cases (Form 300 reports) for IT investments and IT security. The Department received a "green" score on its E-Government progress.

♦ Budget and Performance Integration. The Under Secretary of Defense (Comptroller) is overseeing a Department-wide effort to identifymeaningful performance metrics for use in managing and justifying program resources. This effort will begin with the identification of additional metrics for use in developing the FY2005 President's budget. Additional efforts are underway to integrate performance metrics into all phases of the Department's Planning, Programming, Budgeting and Execution (PBBE) System. The Department has participated in the evaluation of programs using the Program Assessment Rating Tool. As of forth quarter 2002, the Department's score was red for status and green for progress; the Department's score currently stands at yellow for status and green for progress.

Further information is available at Results.gov.

Performance Metric: Civilian Human Resources Strategic Plan (activity)

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Target
Percentage of Civilian HR Strategic Plan tasks accomplished	NA[a]	NA[a]	NA[a]	90 (26 of 29)	90	90
[a.] Since the DoD Civilian Human Resources Strategic Plan was first published in April 2002, there are no measures of accomplishment prior to FY2002.						

Metric Description. The starting point from which the Strategic Plan was built came from the Quadrennial Defense Review (QDR) and the strategic direction provided by the Under Secretary of Defense for Personnel and Readiness. The plan contains seven major goals with associated tasks, performance indictors, measures, and success time frames. The number of Civilian Human Resources (HR) Strategic Plan tasks completed compared to the number of tasks (currently 117) scheduled for completion by fiscal year equals the percentage of tasks accomplished. This will remain activity based until the tasks are completed and task-dependent outcome measures are developed. Outcome measures will replace the count of tasks in phases. The target is to complete at least 90 percent of tasks scheduled for a given fiscal year. Since the task set is dynamic, a percentage of tasks, not an absolute number, has been established as the target.

In FY2002, 26 of 29 tasks were accomplished, meeting the 90 percent goal. One additional FY2002 task was completed in the first quarter of FY2003. The FY2002 tasks completed included publishing a recruitment/relocation bonus and retention allowance policy to cover Federal Wage System employees, benchmarking HR processes and practices against industry best practices, identifying workforce flexibilities that advance ability to meet mission requirements, developing policy to institutionalize the most advantageous programs, expressing support for flexible work arrangements, identifying need and alternatives to expand access to childcare, implementing student loan repayments, and identifying options for elder care.

Through June 2003, approximately 78 percent (32/41) of the FY2003 tasks have been completed. They include the following: draft and submit proposed legislative language for Unified Legislation & Budgeting (ULB) FY04: evaluate demonstration projects and policies; identifydesirable aspects of demonstration projects; develop 'close out' procedures for existing demonstration projects as appropriate; report on the assessment of the existing Civilian Personnel Demonstration Authorities; identifynew automated systems capabilities and associated costs; develop "Civilian Personnel Management Guide for Management Officials During Contingencies and Emergencies"; establish requirement for marketing DoD as a first choice employer program; conduct a comprehensive review of DoD Police Officer staffing levels for special pay rates evaluation; extend the Federal Employee Health Benefits Program eligibility for civilian employees called to active duty; identifypolicies that are cumbersome or add little or no value to the product; incorporate targeted recruiting for persons with disabilities in our recruitment on campus effort; extend DoD authority to make lump-sum severance payments; analyze DoD data from the Office of Personnel Management workforce survey; develop the Department of Defense HR Training Consortium plan; review telework policies as a

transformational tool; and establish eligibility of DoD Nonappropriated Fund employees for long-term care insurance.

None of the scheduled 35 FY2004 tasks, 7 FY2005 tasks, or 4 FY2006 tasks have been completed, and no tasks have yet been scheduled for FY 2007 tasks and FY2008.

V&V Methodology. Data on the completion of scheduled HR Strategic Plan measures are provided by the Civilian Personnel Management Service, Systems Innovation Division (CPMS-SID) in the form of a quarterly report on HR Strategic Plan Performance Measures. This report provides detailed information on the scheduled completion date and accomplishment of individual measures associated with each strategic objective. Documentation on accomplishment of each measure is compiled and maintained by CPMS-SID.

Performance Results for FY2002. The FY2002 goal of 90 percent completion of FY2002 measures was met when 26 of the 29 measures were completed. FY2002 tasks not completed remain FY2002 tasks. Action will be reported separately and will not appear as FY2003 tasks. Through June 2003, 2 additional FY2002 tasks and 32 of the 41 FY2003 tasks have been completed.

Performance Metric: Transforming DoD training (completed)

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Target
Training tasks completed	NA [a]	NA [a]	NA [a]	NA/NA [a]	3 tasks[b]	4 tasks[c]

[a] This is a new initiative and no historical data are available.

[b] 2003 tasks:

 Develop training transformation (T2) implementation plan by April 2003.

 Complete near-term tasks in the T2 strategic plan by October 2003.

 Obtain joint certification and accreditation of National Training Center (NTC) by October 2003.

[c] 2004 tasks:

 Establish a Joint National Training Capability (JNTC) Joint Management Office by April 2004.

 JNTC reaches IOC by October 2004.

 Initial capability to train U.S. forces prior to deployment to theater.

 Initial capability to train U.S. forces while deployed in theater.

Metric Description. The Department's vision for training transformation (T2) is to provide dynamic, capabilities-based training for DoD in support of national security requirements across the full spectrum of Service, joint, interagency, intergovernmental, and multinational operations. The Defense Program Guidance tasked the Under Secretary of Defense for Personnel and Readiness—USD(P&R)—with coordinating requirements, developing plans, and overseeing T2. For this metric, several critical tasks and milestone events are identified to track near-term progress in achieving T2 goals. These metrics are contained in the Deputy Secretary of Defense approved Training Transformation Implementation Plan (10 June 2003).Those tasks and proposed timelines for implementation will be tracked after their development.

V&V Method. The USD(P&R) has responsibility for overseeing and reporting the status of the T2 effort and has established several forums to assist in reviewing, coordinating, and approving plans, programs, and resource decision documents. The joint Integrated Process Team (action officer level), chaired by the Readiness and Training Office, will regularly review the status of T2 tasks and provide input to the Deputy Under Secretary of Defense for Readiness.

Performance Results for FY2002. The Department is actively engaged in executing the requirements and resources approved by the Secretary of Defense in the Training Transformation Implementation Plan and its associated Resource Program Plan. During FY2003, the Congress approved an Omnibus Reprogramming Action to provide the additional resources considered critical to implement T2 tasks and support the initial establishment of the Joint National Training Capability. The FY2004 President's Budget request reflects $179.7 million in FY2004 for the Department to continue to implement the approved goals and milestones for this important initiative.

The resources that have been reprogrammed in FY2003 and budgeted for in FY2004 for transforming DoD trainng have given the program an excellent start. Steps to achieve Initial Operating Capability (IOC) for the Joint National Training Capability in October 2004 are well underway.

Performance Metric: Military Human Resource Strategic (HRS) Plan tasks completed

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Projected Performance
HRS tasks completed	NA [a]	NA [a]	NA [a]	2/1	25	32
[a] Plan was not developed until FY2002; therefore, no historical data are available.						

Metric Description. The Military HRS Plan includes contains 40 tasks and establishes the legislative and policy priorities for the next several years. Of the 40 tasks, 16 are to be completed using in-house resources and 24 by contractor support. Examples of tasks are as follows:

♦ Access enlisted personnel in the right skill, with the right education and aptitude, and meet accession targets
♦ Ensure the force is manned with the right number of officers with appropriate skills, and meet accession targetsPublish and inform members of non-monetary incentives; review lateral entry for applicability to Military ServicesStudy sabbatical programs for Service members
♦ Conduct a demonstration study on an "up-and-stay" personnel program.

This metric will track the number of tasks completed compared to the 40 tasks in the overall plan. Following the completion of all of the tasks, measures of effectiveness will be developed, and new metrics will be developed and be task dependent.

V&V Method. Task completion is tracked monthly during progress updates with the Deputy Assistant Secretary of Defense for Military Personnel Policy. As the number of task completions is reported, the overall task matrix will be documented and will serve as verification and as an official record for completed tasks.

Performance Results for FY2002. Targets established for FY2002 were limited because the plan was developed late in the year. As a result, funding for research and studies was inadequate to begin most of the projects or projects were funded near the end of the fiscal year. Only one in-house task was completed in FY2002. The other task expected to be completed was extended by the contractor and is expected to be completed in early FY2003. Most of the 16 in-house tasks are programmed to be completed in FY2003. Although some of the remaining contractor studies may be completed in FY2004 , most will not be completed until FY2005.

Performance Metric: Improving Joint Quarterly Readiness Review (JQRR)

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Actual	FY2003 Target	FY2004 Target
Improve JQRR	NA [a]	NA [a]	NA [a]	On track [b]	On track [c]	On track [d]

[a] New indicator; no historical information available.
[b] Objective of releasing new CJCS instructions was met.
[c] "On track" defined as *all* Combatant Commanders reporting against joint mission essential tasks (JMETs) and all combatant commanders and combat support agencies (CSAs) reporting impact of aggregated deficiencies by April 2003.
[d] "On track" is defined as *all* CSAs reporting against JMETs by the end of FY2004.

Metric Description. The Joint Quarterly Readiness Review (JQRR) provides a current, macro-level assessment of the military's readiness to execute the national defense strategy as determined by the combatant commands, Services, and combat support agencies (CSAs). The JQRR process includes an assessment of near-term operational risk that provides insights into broader risk.

The process identifies specific deficiencies that impact the ability of the combatant commander, Service, or CSA to execute or support current operations or specific operational or contingency plans. The deficiencies are based on approved strategic documents or requirements. Currently, there are no known models to assess operational risk. JQRR uses staff analysis to assess the impact of deficiencies on operational risk.

V&V Method. FY2003 goals are to improve readiness and risk assessments by implementing the following procedures:

♦ Transition combatant commanders to report the impact of readiness deficiencies against their joint mission essential tasks (JMETs). Achievement of this goal provides mission significance to identified deficiencies. This allows determination of the strategic context of the deficiencies (deficiency has national, theater, or operational impact).

- A minimally effective program is defined as a targeted number of functional and geographic combatant commanders (three or four) reporting against JMETs in a specific assessment.

- Success is defined as *all* combatant commanders reporting against JMETs by the end of the fiscal year.

♦ Incorporate regional and functional risk assessments for current operations and projected operations over the next 12 months against a selected potential conflict in one of the four critical regions as specified in the national defense strategy. Attainment of this goal will provide greater understanding of broader risk.

- A minimally effective program is defined as targeted functional and geographic combatant commanders (three or four) reporting the impact of aggregated deficiencies on achieving their strategic end states by April 2003. CSAs (one to

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four) whose support has significant readiness implications in a specific scenario would report the impact of aggregated deficiencies on strategic end states.

- Success is defined as *all* combatant commanders and all CSAs reporting the impact of aggregated deficiencies on achieving their strategic end states by April 2003.

FY2004 goals include improving readiness and risk assessments by transitioning the CSAs to report against JMETs.

- CSAs are currently tasked to develop JMETs that describe their ability to support operating forces in the event of war or threat to national security in FY2003.

- When CSA JMETs are finalized, CSAs will transition to assessing the impact of deficiencies on their JMETs in the JQRR.

  - A minimally effective program is defined as a targeted number of CSAs (three or four) reporting against JMETs in a specific assessment.

  - Success is defined as all CSAs reporting against JMETs by the end of the fiscal year.

Performance Results for FY2002. FY2002 goals included revamping the process to place readiness concerns in strategic context and to include, in risk assessments, the perspectives of combatant commanders and CSAs. FY2002 goals were achieved with the October 16, 2002 release of a new chairman's instruction that implements the desired changes.

Performance Measure: Experiment with new warfare concepts						
Metric	FY1999[a] Actual	FY2000[a] Actual	FY2001[a] Actual	FY2002[b] Actual	FY2003[c] Target	FY2004[d] Projection
Execution of Joint Experimentation Campaign Plan	NA	NA	NA	On track	On track	On track

[a] New indicator—no historical information available.

[b] Objective of releasing CJCS guidance to USJFCOM concerning Joint Experimentation was met (November 2002).

[c] On track, defined as USJFCOM providing JROC decision brief by 1 March 2003 and promulgation of Joint Experimentation guidance in June 2003.

[d] On track, defined as final draft of Joint Experimentation Campaign plan submission by 1 October 2003

Metric Description. The Chairman, Joint Chiefs of Staff (CJCS) provided his guidance to U.S. Joint Forces Command (USJFCOM) for Joint Experimentation on 26 November 2002. Within the guidance, the Chairman requested the development of the FY2003–FY2009 Joint Experimentation Campaign Plan (JE CPLAN) with an integrated and comprehensive draft to be provided by January 2003 for his review. In addition, the following guidance was provided to JFCOM:

♦ Develop a JE CPLAN that looks inside and outside DoD for concepts and capabilities for refinement and recommendation to the Joint Requirements Oversight Council (JROC).

♦ Articulate resources, timelines, deliverables, and measurements of effectiveness that fully describe concepts' expected contributions to the capabilities of the Joint Force.

♦ Incorporate a decentralized process to explore and advance emerging joint operational concepts, proposed operational architectures, experimentation, and exercise activities currently being conducted.

♦ Identify opportunities for conducting smaller scale experiments that support transformation strategies and include concept development and experimentation activities that incorporate interagency and multinational participation.

♦ Develop the standing joint force headquarters prototype, which remains the highest priority. The JROC has been tasked to provide USJFCOM with an approved operational concept for joint force command and control.

♦ Include for approval the concepts and capabilities for improvements in joint operations and command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) in urban terrain and jungle environments, and consider joint operations in mountainous or heavily forested environments. Apply special emphasis to the concepts in limited objective experiments and other events in FY2004 and FY2005.

♦ Include concepts to provide warfighters at all levels improved real-time battle space awareness, correlation and dissemination of mission-specific information, and more closely integrated ISR efforts and products.

♦ Capitalize on service concepts and capabilities that enable forward- and CONUS-based joint forces to deploy, employ, sustain, and redeploy in austere regions and anti-access and area-denial environments.

♦ Incorporate the advanced conventional strategic weapons and defenses of the New Triad into warfighting concepts and procedures.

♦ Promote and develop regional component commander-sponsored joint and multinational experimentation and capability-based modeling and simulation partnerships.

♦ Ensure continued development of the concepts and ideas demonstrated during and emerging from Millennium Challenge '02.

♦ Provide to the JROC by 1 March 2003 decision briefings that include details of Service participation, resources, deliverables, Millennium Challenge '02 (MC 02) data and measurements of effectiveness that fully describe the expected contributions of the following concepts, insights, and ideas demonstrated during MC 02:

- Effects-based operations
- Operational net assessment
- Collaborative information environment
- Rapid decisive operations
- Joint interagency coordination group
- Information sharing (coalition)
- Force projection
- Joint fires initiative
- Joint tactical actions
- Information operations
- Joint urban operations

In addition, the Chairman recommended a change for the conversion of the development of the JE CPLAN to a biennial requirement:

♦ Chairman's biennial JE guidance will begin to be promulgated in June 2003 and not later than June every odd-numbered year thereafter.

♦ The JE CPLAN will transition to a biennial requirement wherein the next plan will be prepared for FY2004–FY2011, with the final draft submitted for approval not later than 1 October 2003. Subsequent draft documents will be forwarded by 1 October every odd-numbered year thereafter.

♦ To ensure continuity, a fully coordinated biennial update will be provided to the JROC not later than October 2004 and October of every even-numbered year thereafter.

V&V Methodology. The following milestones will be used to evaluate progress:

♦ By 1 March 2003, provide the JROC with decision briefings that include details of service participation, resources, deliverables, MC 02 data, and measurements of effectiveness that fully describe the expected contributions of the concepts, insights, and ideas demonstrated during MC 02.

♦ Begin promulgating the Chairman's biennial JE guidance in June 2003 and not later than June every odd-numbered year thereafter.

♦ Transition the JE CPLAN to a biennial requirement wherein the next plan will be prepared for FY2004–FY2011, with the final draft submitted for approval not later than 1 October 2003. Subsequent draft documents will be forwarded by 1 October every odd-numbered year thereafter.

Performance Results for FY2002 and/or FY2003. The initial milestone was met, with the CJCS providing his guidance to USJFCOM for Joint Experimentation on 26 November 2002.

Performance Metric: Classified readiness measures

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target/Actual	FY2004 Projected Performance
Classified readiness levels (personnel, equipment fill, equipment supply, and training level)	Classified	Classified	Classified	Classified	Classified	Classified
Results for these metrics can be found in the Quarterly Readiness Report to Congress.						

Metric Description. The readiness of forces to successfully execute the national defense strategy is measured through a number of sources and methods. Primarily, the Department uses the Status of Resources and Training (SORTS) reports, Joint Quarterly Readiness Review, and the Senior Readiness Oversight Council (SROC). These forums provide the foundation for the Quarterly Readiness Report to Congress (QRRC). In response to the 1998 National Defense Authorization Act, the QRRC includes a number of expanded indicators requested by Congress to monitor force readiness. All of these measures are classified but help to form a qualitative assessment of readiness by decision makers.

In attempting to provide objective data to support QRRC information requirements, the SORTS areas of personnel, equipment fill, equipment readiness, and training are used. The personnel readiness levels are adjusted in order to arrive at a metric that is somewhat more objective, reproducible, and auditable. These indicators of readiness are classified as well.

As shown in the congressionally mandated Independent Review of DoD's Readiness Reporting System (done by the Institute for Defense Analyses) and several audits, there is much dissatisfaction with current metrics. Accordingly, the Department's initiative to develop the Defense Readiness Reporting System is intended to provide more timely and relevant readiness metrics and operational risk analysis than is available in the current system.

V&V Method. As information is reported monthly in SORTS, military analysts in OSD review readiness levels reported and work with the Services to ensure no anomalies affect the quality of data. Independent audits by the General Accounting Office have shown that the data do not provide a fuller view of readiness and do not provide an objective operational risk assessment to decision makers.

Performance Results for FY2002. A general description of results is available in the February 2003 QRRC.

Performance Metric: Establish a standing joint force headquarters

Metric	FY1999[a] Actual	FY2000[a] Actual	FY2001[a] Actual	FY2002[b] Actual	FY2003[c] Target	FY2004[d] Target
Establish a standing joint force headquarters (SJFHQ)	NA	NA	NA	On track	On track	On track

[a] New indicator—no historical information available.

[b] Objective of releasing CJCS concept to USJFCOM concerning SJFHQ development was met (January 2003).

[c] On track, defined by USJFCOM conducting experimentation and finalization of DOTMLPF recommendations for the implementation of SJFHQs. (i.e., Pinnacle Impact 03).

[d] On track, defined as USJFCOM validating and verifying DOTMLPF recommendations for the common architectures, Joint TTPs, and SOPs for the SJFHQs.

Metric Description. Defense Plans have directed Regional Combatant Commands to establish Standing Joint Force Headquarters (SJFHQ) by FY2005, reflecting standards established by U.S. Joint Forces Command (USJFCOM) and incorporating lessons learned from Millennium Challenge '02. The Chairman, Joint Chiefs of Staff (CJCS) stated that he would provide USJFCOM guidance on the development of SJFHQ in the form of a Joint Requirements Oversight Council (JROC) approved operational concept.

The SJFHQ Functional Capabilities Board (FCB) is responsible for developing, resolving, and coordinating the details for Standing Joint Force Headquarters implementation and fielding. The Director, SJFHQ serves as the board's chairman, with combatant command and Service representatives as core members. Efforts have been focused on two key areas:

♦ Developing the concept to guide USJFCOM efforts in developing the SJFHQ. This effort is complete and is discussed below.

♦ Facilitating the USJFCOM SJFHQ organizational study. This study focused on developing viable manpower options for the SJFHQ. The C2 FSB has supported this effort though workshops and frequent meetings. Also, J-6 has provided USJFCOM with contractor assistance.

V&V Methodology. In a memorandum dated 2 November 2001, the CJCS provided guidance to USJFCOM concerning SJFHQ development. USJFCOM is currently implementing this guidance through activities listed below. It is envisioned that J6 representatives will be active participants in many of these events. The following are the major milestones for evaluating progress with respect to this measure:

♦ During FY2002, conduct Millennium Challenge '02 and establish the baseline for the SJFHQ prototype.

♦ During FY2003, conduct experimentation and finalize DOTMLPF recommendations for the implementation of SJFHQs (i.e., Pinnacle Impact 03).

♦ During FY2004, develop an SJFHQ model and validate and veriFYDOTMLPF recommendations for the common architectures, Joint TTPs, and SOPs for the SJFHQs.

♦ During FY2005, support each Regional Combatant Commander in the implementation of an SJFHQ within their region—i.e., Terminal Fury 04 (USPACOM) and Internal Look 05 (USCENTCOM).

Performance Results for FY2000. The first area of concern was the development of the concept to guide USJFCOM efforts in developing the SJFHQ. This effort is complete. On 23 January 2003, the JROC approved the "Joint Force Command and Control Concept to Guide Standing Joint Force Headquarters Development by 2005," which fulfills the Chairman's stated guidance. The concept was developed and staffed throughout most of 2002 with participation from the combatant commands, services and some defense agencies. One recommendation from the above concept is the establishment of a Functional Capability Board (FCB), chaired by USJFCOM, to facilitate SJFHQ implementation. The FCB roles and responsibilities will be delineated in the Chairman, Joint Chiefs of Staff Instruction (CJCSI) 3170.01C, "Joint Capabilities Integration and Development System." USJFCOM is drafting the FCB charter in coordination with this instruction. The Joint Staff, Services, and combatant commands will continue to be involved in SJFHQ development through active participation on this board.

Performance Metric: Monitor the status of defense technology objectives (DTOs)

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Actual	FY2004 Projected Performance
Percentage of DTOs evaluated as progressing satisfactorily toward goals[a]	94	98	96	>70/98	96	>70
DTO evaluated in biannual review[b]	159	168	180	163	163	NA
Total number of DTOs[b]	347	327	397	374	404	NA

[a] "Progressing satisfactorily" includes DTO rated as "green" or "yellow."
[b] The number of DTOs evaluated and the total number of DTOs are provided for information only and no targets are established.

Metric Description. Technological superiority has been, and continues to be, a cornerstone of our national military strategy. Technologies such as radar, jet engines, nuclear weapons, night vision, smart weapons, stealth, the Global Positioning System, and vastly more capable information management systems have changed warfare dramatically. Today's technological edge allows us to prevail across the broad spectrum of conflict decisively and with relatively few casualties. Maintaining this technological edge has become even more important as the size of U.S. forces decreases and high-technology weapons are now readily available on the world market. Future warfighting capabilities will be substantially determined by today's investment in science and technology (S&T).

Our S&T investments are focused and guided through a series of defense technology objectives (DTOs) developed by the senior planners working for the Secretary of Defense and the Chairman of the Joint Chiefs of Staff. Each of these objectives highlights a specific technological advancement that will be developed or demonstrated, the anticipated date the technology will be available, the specific benefits that should result from the technological advance, and the funding required (and funding sources) to achieve the new capability. This list of objectives also distinguishes specific milestones to be reached and approaches to be used, quantitative metrics that will indicate progress, and the customers who will benefit when the new technology is eventually fielded. This metric measures the percentage of DTOs that are progressing satisfactorily toward the goals established for them.

V&V Method. Technology Area Review and Assessment (TARA) teams—independent peer review panels composed of approximately six experts in relevant technical fields from U.S. government agencies, private industry, and academia—assess the DTOs for each program every 2 years. The reviews are conducted openly; observation by stakeholders (typically, senior S&T officials, members of the joint staff, and technology customers) is welcomed.

The TARA teams assess the objectives in terms of three factors—budget, schedule, and technical performance—and rate the programs as follows:

♦ Green—progressing satisfactorily toward goals.

♦ Yellow—generally progressing satisfactorily, but some aspects of the program are proceeding more slowly than expected.

♦ Red—doubtful that any of the goals will be attained.

The benefits of these ratings are many. Not only do they reflect the opinions of independent experts, but also they are accepted and endorsed by stakeholders. These reviews result, and will continue to result, in near real-time adjustments being made to program plans and budgets based on the ratings awarded.

Performance Results for FY2002. The Department met both its FY2002 and FY2003 performance targets for DTOs. No shortfall is projected for FY2004. Although actual performance continues well above target, the target will be maintained at 70% due to the inherent high risk of failure in technology development.

Performance Metric: Develop metrics to support acquisition excellence goals

Goals	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Actual	FY2003 Target/Actual	FY2004 Projected Performance
Achieve credibility and effectiveness	NA	NA	NA	All MDAPS funded at CAIG estimate	All MDAPs funded at CAIG estimate; develop new DoD 5000 guidance	All MDAPs funded at CAIG estimate
Revitalize AT&L workforce	NA	NA	NA	More flexibility in hiring for managers; continue Acquisition Workforce Demonstration	More flexibility in hiring for managers; continue Acquisition Workforce Demonstration	More flexibility in hiring for managers; continue Transition from Acquisition Workforce Demonstration to Best Practices Demonstration Project
Improve industrial base	NA	NA	NA	Price-based acquisition policy implemented	Continue efforts to improve competition, strengthen industrial base	Continue efforts to improve competition, strengthen industrial base
Rationalize weapon systems	NA	NA	NA	Submitted BRAC legislative proposal	Continue BRAC planning	BRAC 2005 selection criteria
Initiate high leverage technologies	NA	NA	NA	Initiated 15 ACTDs	Plan to initiate 16 ACTDs	New starts TBD

Metric Description. The focus of the Department in the area of acquisition, technology and logistics has changed from one of "reform" to "excellence." "Excellence" stresses making the current system function better and then institutionalizing the improved process. AT&L faces many challenges in identifying, retailoring, and institutionalizing the system's strengths to perform better. For the future, AT&L has five goals:

1. Achieve credibility and effectiveness in the acquisition and logistics support process.
2. Revitalize the quality and morale of the DoD AT&L workforce.
3. Improve the health of the defense industrial base.
4. Rationalize the weapon systems and infrastructure with defense strategy.
5. Initiate high-leverage technologies to create the warfighting capabilities, systems, and strategies of the future.

V&V Method. Reviews and reporting occur periodically (monthly, annually, or as appropriate) to describe efforts on the five AT&L goals. The goals serve to focus daily efforts of the Office of the Secretary of Defense and Component acquisition, technology, and logistics staffs.

Performance Results for FY2002. The following are examples of accomplishments over the past year:

- ◆ Goal 1:

    - The Department adopted a "full program funding" policy. The Department is committed to properly pricing programs up front.

    - The Department discontinued the Navy Area Wide program, which sent the message that it is no longer business as usual. From now on, programs must perform to survive. An important result was the improvement in resource allocation in the missile defense program.
- ◆ Goal 2:

    - The Department created greater flexibility in hiring for our managers.

- ◆ Goal 3:

    - The Department embraced the principle of "price-based acquisition," in which the government pays a fair market price for products, whenever possible. By doing so, smaller companies will be encouraged to compete for defense work.

    - The Department no longer expects contractors to invest their own funds in defense research and development contracts to cover shortfalls in government funding. This past practice was harmful to the bottom lines of defense contractors, and discouraged small companies from competing for contracts.

- ◆ Goal 4:

    - The Department developed legislation (for another Base Realignment and Closure round) and submitted it to Congress to rationalize DoD infrastructure.

- ◆ Goal 5:
    - The Department developed and pursued program and budget issues to boost S&T funding.

The accomplishments over the past year have three common threads: they are designed to level the playing field for all contractors; they are designed to improve the fiscal health of the defense industry by allowing them the chance to improve their return for good performance; and they are designed to enhance competition, which is paramount in the Department's goal of a healthy industrial base.

Performance Metric: Reduce percentage of DoD budget spent on infrastructure (lagged indicator)

Metric	FY1998 Actual	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Projection	FY2003 Projection
Percentage of DoD budget spent on infrastructure	46	45	47	46	44	42

Note: This is a lagged indicator. Projections are based on the FY2004 President's budget Future Years Defense Program.

Metric Description. The share of the defense budget devoted to infrastructure is one of the principal measures the Department uses to gauge progress toward achieving its infrastructure reduction goals. A downward trend in this metric indicates that the balance is shifting toward less infrastructure and more mission programs. In tracking annual resource allocations, we use mission and infrastructure definitions that support macro-level comparisons of DoD resources. The definitions are based on the 2001 Quadrennial Defense Review (QDR), the Future Years Defense Program (FYDP), and a soon-to-be-published Institute for Defense Analyses report (*DoD Force and Infrastructure Categories: A FYDP-Based Conceptual Model of Department of Defense Programs and Resources*) prepared for the Office of the Secretary of Defense. The definitions are consistent with the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (P.L. 99-433). This act requires that combat units, and their organic support, be routinely assigned to the combatant commanders and that the Military Departments retain the activities that create and sustain those forces. This feature of U.S. law provides the demarcation line between forces (military units assigned to combatant commanders) and infrastructure (activities retained by the Military Departments). In addition to more precisely distinguishing forces from infrastructure, the force subcategories have been updated to reflect current operational concepts. The infrastructure subcategories, likewise, have been updated and streamlined.

V&V Method. The Department updates the percentage of the budget spent on infrastructure each time the President's budget FYDP database is revised. The Institute for Defense Analyses reviews and normalizes the data to adjust for the effect of definitional changes in the database that mask true content changes. Prior-year data are normalized to permit accurate comparisons with current-year data. Because of these adjustments, there may be slight shifts upward or downward in the targets established for past-year infrastructure expenditures.

Performance Results for FY2002. The Department estimates that we will have allocated about 44% of total obligational authority to infrastructure activities in FY2002, down from about 46% in the preceding year. The efficiencies achieved result from initiatives in the QDR and Defense Reform Initiatives, including savings from previous base realignment and closure rounds, strategic and competitive sourcing initiatives, and privatization and reengineering efforts. The Department expects to continue making progress toward reducing its expenditures on infrastructure as a share of the defense budget in FY2003.

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Mission and Infrastructure Categories Used for Tracking the Portion of the DoD Budget Spent on Infrastructure
Mission Categories
Expeditionary forces. Operating forces designed primarily for non-nuclear operations outside the United States. Includes combat units (and their organic support) such as divisions, tactical aircraft squadrons, and aircraft carriers.
Deterrence and Protection Forces. Operating forces designed primarily to deter or defeat direct attacks on the United States and its territories. Also includes agencies engaged in U.S. international policy activities under the direct supervision of the Office of the Secretary of Defense.
Other forces. Includes most intelligence, space, and combat-related command, control, and communications programs, such as cryptologic activities, satellite communications, and airborne command posts.
Infrastructure Categories
Force installations. Installations at which combat units are based. Includes the Services and organizations at these installations necessary to house and sustain the units and support their daily operations. Also includes programs to sustain, restore, and modernize buildings at the installations and protect the environment.
Communications and information infrastructure. Programs that provide secure information distribution, processing, storage, and display. Major elements include long-haul communication systems, base computing systems, Defense Enterprise Computing Centers and detachments, and information assurance programs.
Science and technology program. The program of scientific research and experimentation within the Department of Defense that seeks to advance fundamental science relevant to military needs and determine if the results can successfully be applied to military use.
Acquisition. Activities that develop, test, evaluate, and manage the acquisition of military equipment and supporting systems. These activities also provide technical oversight throughout a system's useful life.
Central logistics. Programs that provide supplies, depot-level maintenance of military equipment and supporting systems, transportation of material, and other products and services to customers throughout DoD.
Defense health program. Medical infrastructure and systems, managed by the Assistant Secretary of Defense for Health Affairs, that provide health care to military personnel, dependents, and retirees.
Central personnel administration. Programs that acquire and administer the DoD workforce. Includes acquisition of new DoD personnel, station assignments, provisions of the appropriate number of skilled people for each career field, and miscellaneous personnel management support functions, such as personnel transient and holding accounts.
Central personnel benefit programs. Programs that provide benefits to Service members. Includes family housing programs; commissaries and military exchanges; dependent schools in the United States and abroad; community, youth, and family centers; child development activities; off-duty and voluntary education programs; and a variety of ceremonial and morale-boosting activities.
Central training. Programs that provide formal training to personnel at central locations away from their duty stations (non-unit training). Includes training of new personnel, officer training and Service academies, aviation and flight training, and military professional and skill training. Also includes miscellaneous other training-related support functions.
Departmental management. Headquarters whose primary mission is to manage the overall programs and operations of DoD and its Components. Includes administrative, force, and international management headquarters, and defense-wide support activities that are centrally managed. Excludes headquarters elements exercising operational command (which are assigned to the "other forces" category) and management headquarters associated with other infrastructure categories.
Other infrastructure. Programs that do not fit well into other categories. They include programs that (1) provide management, basing, and operating support for DoD intelligence activities; (2) conduct navigation, meteorological, and oceanographic activities; (3) manage and upgrade DoD-operated air traffic control activities; (4) support warfighting, war-gaming, battle centers, and major modeling and simulation programs; (5) conduct medical contingency preparedness activities not part of the defense health program; and (6) fund joint exercises sponsored by the Commanders in Chief (CINCs) or JCS directed. Also included in this category are centralized resource adjustments that are not allocated among the programs affected (e.g., foreign currency fluctuations, commissary resale stocks, and force structure deviations).

DoD Total Obligational Authority by Mission and Infrastructure Category (FY2003 $ Billion)				
Category	FY1998	FY1999	FY2000	FY2001
Mission				
Expeditionary forces	124	127	129	135
Homeland defense	7	8	8	9
Other forces	29	30	29	31
Subtotal	160	166	166	175
Infrastructure				
Force installations	20	21	23	23
Communications and information infrastructure	4	4	4	5
Science and technology program	9	8	9	9
Acquisition	8	8	9	9
Central logistics	17	17	20	18
Defense health program	19	18	19	22
Central personnel administration	10	9	10	10
Central personnel benefits programs	8	8	8	8
Central training	24	24	25	25
Departmental management	15	16	15	15
Other infrastructure	3	3	4	4
Subtotal	136	138	145	148
Total	295	304	311	323
Infrastructure as a percentage of total obligational authority	46%	45%	47%	46%

Performance Metric: Fund to a 67-year recapitalization rate by 2007

Metrics	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target/ Projected Performance	FY2004 Target/ Projected Performance
Facilities recapitalization metric–FRM (years)	(~200)	(~200)	192	67/101	67/136 [a]	67/136[a]
Facilities sustainment model–FSM (percent)	(~80)	78[b]	70[b]	NA/89	100/94	100/94[a]

[a] Three defense agencies included in FY2004 but excluded in previous years.
[b] FSM did not exist in FY2000 and FY2001; these are estimates. Source: DoD Financial Statement, Required Supplemental Information.

Metric Description. The facilities recapitalization metric (FRM) is a performance indicator that measures the rate at which an inventory of facilities is being recapitalized. The term "recapitalization" means to restore or modernize facilities. Recapitalization may (or may not) involve total replacement of individual facilities; recapitalization often occurs incrementally over time without a complete replacement.

The performance goal for FRM equals the average expected service life (ESL) of the facilities inventory (estimated to be 67 years, based on benchmarks developed by a panel of Defense engineers in 1997). The ESL, in turn, is a function of facilities sustainment. "Sustainment" means routine maintenance and repair necessary to achieve the ESL. To compute a normal ESL, full sustainment levels must be assumed. A reduced ESL results from less than full sustainment. For this reason, the metrics for facilities recapitalization and facilities sustainment are unavoidably linked and should be considered together.

Sustainment levels required to achieve a normal ESL are benchmarked to commercial per unit costs; for example, $1.94 per square foot annually is needed to properly sustain the aircraft maintenance hangar inventory for a 50-year life cycle. The facilities sustainment model (FSM) adjusts these costs to local areas and assigns the costs to DoD Components and funding sources.

The recapitalization rate—measured by FRM in years—is compared to service life benchmarks for various types of facilities. For example, the ESL of a pier is 75 years, and the ESL of a dental clinic is 50 years (provided the facilities are fully sustained during that time). The average of all the ESL benchmarks, weighted by the value of the facilities represented by each benchmark, is 67 years. Weighting is required to normalize the ESL. For example, without weighting, 50 years is the ESL of a hypothetical inventory consisting of administrative buildings (75-year ESL) and fences (25-year ESL). But fences are insignificant compared to administrative buildings—DoD has $22 billion worth of administrative buildings, but only $3 billion worth of fences and related structures—and should not have equal weight. The ESL of this hypothetical inventory when weighted by plant replacement value is 68 years, not 50 years.

For evaluating planned performance, both metrics (FSM and FRM) are converted to dollars (annual funding requirements) and compared to funded programs in the DoD Future Years Defense Program (FYDP). Both metrics can also be used to measure executed performance.

V&V Method. Recapitalization rates are computed according to set procedures for transmitting program and budget data to the Office of the Secretary of Defense (maintained by the Program, Analysis and Evaluation Directorate of the Office of the Secretary of Defense) and set rules as described in the August 2002 document, *Facilities Recapitalization Front End Assessment*. Data collection procedures are quite complex and are derived from multiple sources to include several hundred FYDP program elements, multiple funding appropriations and resources from outside DoD, and hundreds of thousands of real property records. The various data elements are summarized and merged in the Defense Programming Database (DPD) Warehouse, where the recapitalization rate is computed from the data. All the data submitted to the DPD Warehouse are audited for accuracy by multiple DoD offices. The benchmark for the DoD average recapitalization rate goal (67 years) is based on service life benchmarks developed by DoD in 1997.

Sustainment rates are computed in a similar manner. Approximately 400 benchmarks for sustainment are contained in the DoD Facilities Cost Factor Handbook and are each documented for source and estimated quality. These individual cost factors are combined with real property inventory databases by the DoD FSM, which is maintained under contract by R&K Engineering of Roanoke, VA. FSM outputs are merged with programming and budget data contained in the DoD FYDP; merging is done in the DPD Warehouse, where sustainment rates are computed.

Performance Results for FY2002. Shortfalls in facilities recapitalization (and associated sustainment) were considered in development of the amended FY2002 and FY2003 budgets. Although performance as measured by the budgeted recapitalization and sustainment rates improved from FY2001 levels, the targets (67-year recapitalization rate and full sustainment) were not achieved in either budget. As a result of not achieving full sustainment levels, the theoretical service life of the inventories (67 years) suffered another incremental reduction. As a result of not achieving a 67-year recapitalization rate, obsolescence in the facilities inventories increased incrementally. The cumulative and compounding effect of these shortfalls is measured by the number of C-3 and C-4 facilities reported in the Department's readiness reports (68% of facility classes are reported as having serious deficiencies that adversely impact mission performance).

Because of the way these metrics are constructed, the underperforming results of FY2002 and FY2003 do not directly affect the sustainment and recapitalization performance targets for FY2004. The goal for sustainment remains full sustainment; a 7% shortfall in programmed sustainment in FY2003 cannot be offset with 7% overage in FY2004. The interim goal for recapitalization remains 67 years, even though past performance has already reduced the service life of the facilities inventory. The direct effect of undersustainment and underrecapitalization is captured in the *accelerated recapitalization rate* that is required to restore readiness to at least C-2 status by 2010.

Metric	FY1999 Actual[a]	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Projected Performance	FY2004 Projected Performance
Number of inadequate family housing units	169,071	182,246	170,314	NA[c]/143,608	111,584[c]	87,825[c]
Percentage of total family housing units	68.2%	60.9%	58.5%	NA[c]/53.4%	[b]	[b]

[a] Navy did not collect this data for FY1999 and prior years; therefore this figure represents only the Army, Marine Corps, and Air Force data.
[b] Targets or Projected Performance are not established for the Percentage of total family housing units.
[c] Interim targets have not been established because housing privatization negotiations often change the scope of projects, making targets impractical.

Metric Description. The Secretary of Defense has established a goal to eliminate all inadequate family housing by the end of FY2007. Each Military Service has developed a Family Housing Master Plan that outlines the approach it will follow to achieve this long-term goal. These plans identiFYthe program requirements, by year, to eliminate inadequate family housing by FY2007.

Inadequate housing, in general, is any unit that requires a major repair, component upgrade, component replacement, or total upgrade. Each Service has evaluated its housing and identified inadequate units. Each Service has then developed a plan to eliminate this inadequate housing through a combination of traditional military construction, operations and maintenance support, and privatization.

V&V Method. Information was gathered directly from the Military Departments and supported in their Family Housing Master Plans, which are submitted annually to the Deputy Under Secretary of Defense (Installations and Environment). These master plans provide detailed information, by installation, on the Service's ability to achieve the 2007 family housing goal.

Performance Results for FY2002. The Department reduced inadequate family housing by 27,000 units through revitalization, demolition, and privatization. Interim targets have not been established because housing privatization negotiations often change the scope of projects, making targets impractical. Further, the housing privatization process takes over a year to complete, and during this time, varying economic conditions and financial arrangements between prospective contractors and their financial lenders can change. This would cancel a project and return inadequate inventory to the fiscal year, thereby skewing targets.

Performance Metric: Reduce Major Defense Acquisition Program (MDAP) acquisition cycle time (months)						

Acquisition Cycle Time	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Projected Performance
Acquisition cycle time (for new starts from FY1992 through FY2001) (months)	94	N/A[a]	102	<99/103	<99	<99
Acquisition cycle time (for new starts after FY2001) (months)	N/A	N/A	N/A	N/A	<66	<66

Note: All previous metric submissions were based on September Selected Acquisition Reports (SAR). This metric now uses the December SAR.

[a] The December SAR, which reflects the President's budget, is used for calculating acquisition cycle time. Because the current administration did not include a Future Years Defense Program in the submission of the President's budget for FY2002, there were no December SARS.

Metric Description. Acquisition cycle time is the elapsed time, in months, from program initiation—when the Department makes a commitment to develop and produce a weapon system—until the system attains initial operational capability (IOC). This metric measures the average cycle time across all Major Defense Acquisition Programs (MDAPs). During the 1960s, a typical acquisition took 7 years (84 months) to complete. By 1996, a similar acquisition required 11 years (132 months) from program start to IOC. To reverse this trend, DoD established an objective to reduce the average acquisition cycle time for MDAPs started since 1992 to less than 99 months, a reduction of 25 %. We achieved that initial objective. We did so through rapid acquisition with demonstrated technology, time-phased requirements and evolutionary development, and integrated test and evaluation. To continue that improvement, the Department will seek to reduce the average cycle time to less than 66 months for all MDAPs started after FY2001. To achieve that objective, the Department is introducing improvements to development and production schedules similar to those it initiated for managing system performance and cost. Rapid development and fielding of weapon systems—leveraging new technologies faster—will enable U.S. forces to stay ahead of potential adversaries.

V&V Method. The key measure for this objective is the average elapsed time from program start to IOC, measured in months. Average acquisition cycle time is computed using schedule estimates from Selected Acquisition Reports (SARs). The Department also monitors MDAPs through the Defense Acquisition Executive Summary reporting system and the Defense Acquisition Board review process. In FY1998, the Department began to evaluate cycle times of new MDAPs (as well as schedule changes for ongoing programs) during its annual program and budgeting process. There are 42 MDAPs in the post-FY1992 calculation of the FY2001 actual.

Performance Results for FY2002. The Department saw a minor increase in average acquisition cycle time for FY2002. Several programs were examined and then restructured with improved cost and schedule estimates. Although only a few programs have been restructured, the extensions have affected the average acquisition cycle time. The averaging nature of this measure means that dramatic improvements would be required in individual programs during FY2003 to reduce the average.

Performance Metric: Reduce Major Defense Acquisition Program (MDAP) annual rate of acquisition cost growth (percentage)						

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Projected Performance
Reduce annual rate of acquisition cost growth	+2.9	N/A[a]	+14.9[a]	Downward trend toward 0%/+7.4	Downward trend toward 0%	0%

[a] The December Selected Acquisition Report (SAR), which reflects the President's budget, is used for calculating acquisition cost growth. Because the current administration did not include a FYDP in the submission of the President's Budget for FY2002, there were no December SARs. Thus, the FY2001 actual reflects acquisition cost growth for a two-year period (FY2000 and FY2001).

Metric Description. Acquisition cost growth measures the difference between the acquisition costs in the current-year's President's budget and the previous-year's budget, divided by the acquisition costs for the previous-year's budget, expressed as a percentage. The population is all Major Defense Acquisition Programs (MDAPs) common to both current-year and previous-year budgets. A dollar-weighted average is calculated for the common MDAPs and adjusted for changes in quantity or inflation. Acquisition cost growth can occur for various reasons, including technical risk, schedule slips, programmatic changes, or overly optimistic cost estimates. Our reform initiatives seek to reduce cost growth from all sources, providing an output target for procurement managers of individual systems, as well as for the aggregate procurement programs of the individual Services. The objective is to be on a downward trend by the end of FY2003 toward an ultimate goal of no acquisition cost growth. Managerial responses are expected to include both specific cost-control initiatives and process changes.

V&V Method. Data on acquisition cost growth for MDAPs are collected from Selected Acquisition Reports (SARs), which are published by the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. SARs and the underlying data, which are maintained in the Consolidated Acquisition Reporting System (CARS), are used to veriFYand validate the measured values. There are no known SAR data deficiencies. The December SAR, which reflects the next President's budget, is used for calculating cost growth for the previous fiscal year. If annual acquisition cost growth does not decrease, the SARs provide data useful in isolating specific causes. The DoD interim guidance on the defense acquisition system requires SARs to be submitted for MDAPs.

Performance Results for FY2002. The FY2002 actual of 7.4% (based on preliminary FY2004 budget data) meets the FY2002 target of a downward trend toward no cost growth. The actual performance results for FY2003 will not be available until release of the December 2003 SAR in April 2004.

Performance Metric: Reduce Customer wait time (days)

Metric	FY1999 Actual	FY2000 Actual	FY2001 Actual	FY2002 Target/Actual	FY2003 Target	FY2004 Projected Performance
Customer Wait time (days)	NA[a]	NA[a]	18	17/16	16	15
[a] Reporting of CWT did not begin until FY2001.						

Metric Description. Customer Wait Time (CWT) measures the elapsed time from order to receipt when a customer orders an item of material. The customer's order may be filled from assets on hand at the customer's military installation or naval vessel, or through the DoD wholesale logistics system. For purposes of this Enterprise Level Metric, CWT includes orders for spare and repair parts ordered by organizational maintenance activities. CWT captured for orders considered below enterprise level are maintained by each of the Military Services and the Defense Logistics Agency.

V&V Method. Data on transaction volume and order-receipt times are collected monthly from various Military Service systems. The Military Services roll the inputs from their respective systems into a single Service report in spreadsheet format that they submit to the Defense Automatic Addressing System (DAAS). DAAS then calculates a weighted average (based on the relative volume of transactions) for the entire DoD, which is the figure reported above. All Military Service inputs are based on an agreed-upon set of business rules. This methodology helps to ensure consistent treatment of data and valid comparisons across DoD Components.

Performance Results for FY2002. Reporting of CWT began in FY2001. The DoD set a reduction target of one day per year for FY2002, FY2003, and FY2004 from the baseline of FY2001 actual data. FY2002 actual of 16 days exceeded the target of 17 days.

Performance Metric: Provide explicit guidance for budget and performance integration

Metric Description. Consistent with the President's Management Agenda (PMA) initiative to integrate budget and performance, the Department is adopting a DoD-wide approach to establishing performance outputs and tracking performance results. The Deputy Secretary of Defense, in Management Initiative Decision (MID) 910, "Budget and Performance Integration Initiative," December 20, 2002, informs the DoD Components that beginning in February 2003, each Component will be graded on its status and progress in:

♦ displaying the linkage of plans, outputs, and resources in budget justification materials;

♦ expanding the treatment of metrics in the FY2004 congressional justification materials; and

♦ establishing a quarterly system of reporting on progress made toward achieving goals.

MID 910 directs the Components to associate performance metrics with at least 20% of the resources requested in their FY2004 congressional justification. This requirement increases to 60% for the FY2005 budget, 80% for the FY2006 budget, and 100% for the FY2007 and beyond budgets. The Department will reiterate the guidance in the annual Budget Justification Book Material data call in the outyears.

V&V Method. The following outlines the development and publication of the guidance that has lead to the accomplishment of this outcome:

♦ Develop MID 910—October 2002

♦ Complete formal coordination of MID—November 2002

♦ Obtain signoff of final MID by the Deputy Secretary of Defense—December 20, 2002

♦ Develop guidance for inclusion in the FY2004/2005 Budget Justification Book Material data call—December 2002

♦ Publish Budget Justification Book Material data call—July 2003

♦ Reiterate guidance for outyear data calls—annually

Performance Results for FY2003. The objective to provide explicit guidance for budget and performance integration to the DoD Components was accomplished in December 2002 with the promulgation of MID 910. Guidance also has been provided in the annual Budget Justification Book Material data call. No further reporting of this metric is necessary. The Office of Management and Budget upgraded the PMA status (budget/performance integration) rating to yellow based on the improved linking of performance and budget information.